

DECISIONS WRITING PERFORMANCE BASED STATEMENTS OF WORK



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Introduction



- New Direction for Service Contracts
 - More efficient - less time consuming
 - Attract new firms and technologies (innovative approaches)
 - Allows us to spend money more wisely/efficiently
 - Lower contract costs with equal or greater value (better service)
 - Improved Contractor Performance



EXERCISE I

- Build Lego House (10 minutes)



EXERCISE I

- Write Instructions (10 minutes)

Overview



- What is Performance Based Service Contracting (PBSC)?
- Benefits
- Elements
- Implementing PBSC

PBSC - What Is It?

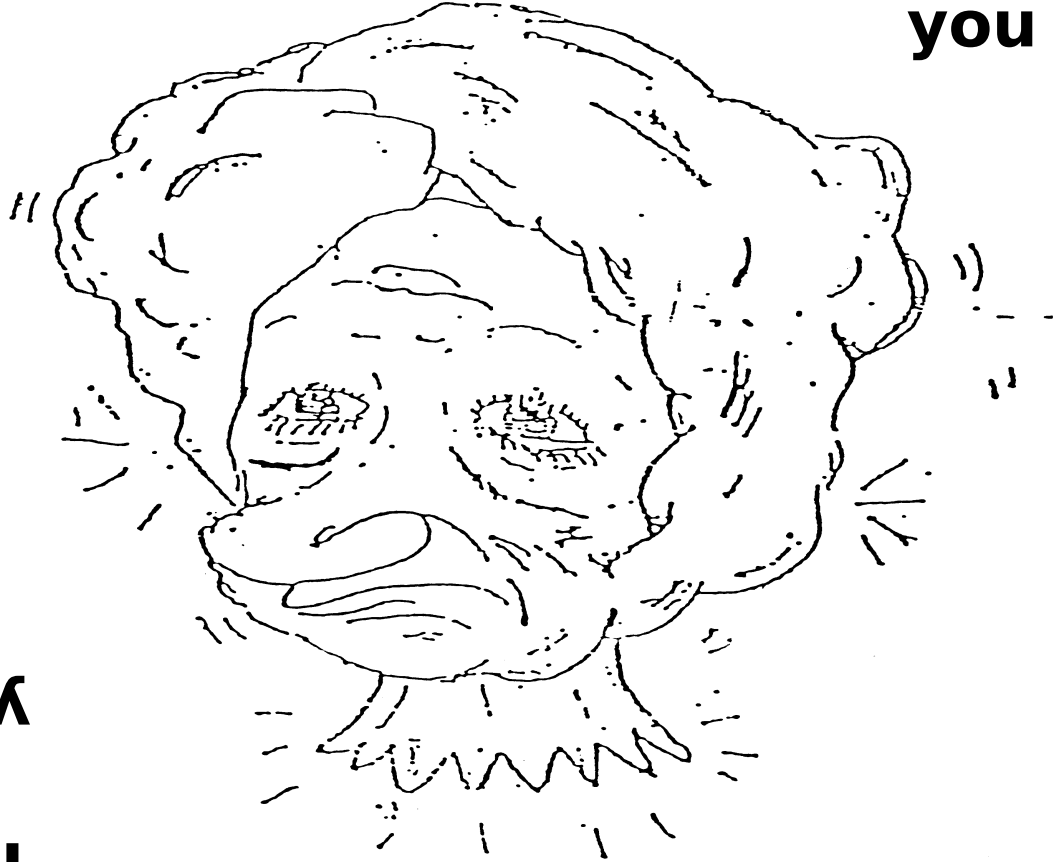


- Requirements are outcome based
 - “WHAT” not “HOW”
- Measurable requirements and quality standards
 - How to tell if we got “WHAT” we asked for
- Contractor is empowered to use best commercial practices and management innovation



**This may be
what
you want . . .**

**. . . but this
is what
you get!**



**This may be
what
you want . .**

Sample Change

Food Service

- Old

- Personal Hygiene
- Health Exams
- Food Borne Disease Test
- Equipment & Utensil Cleaning
- Food Preparation Equipment Cleaning
- Serving Equipment Cleaning
- Dining Area Equipment Cleaning

- New

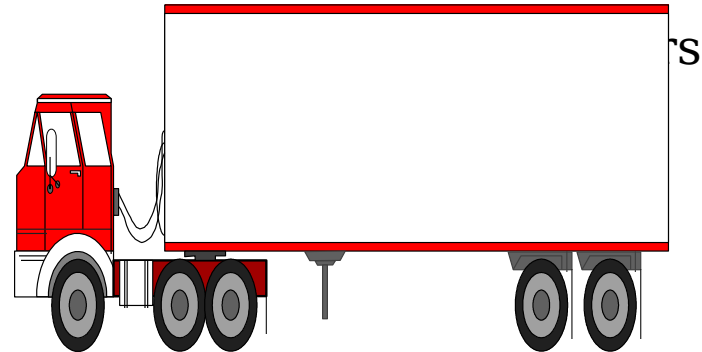
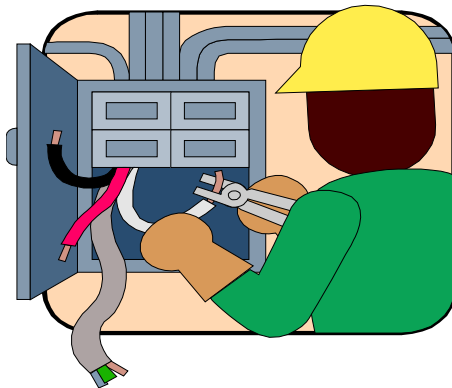
- Comply with FDA Food Code which results in a satisfactory or better rating in Health Inspections



Sample Change

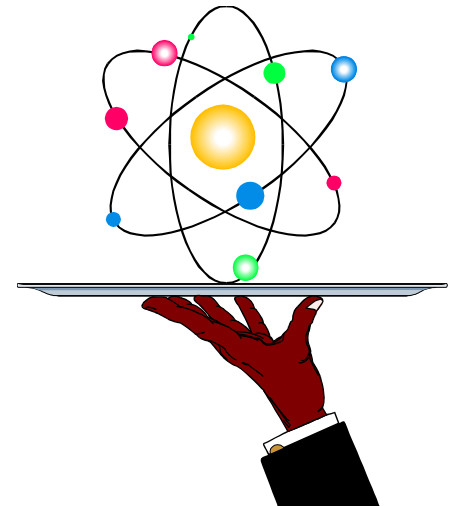
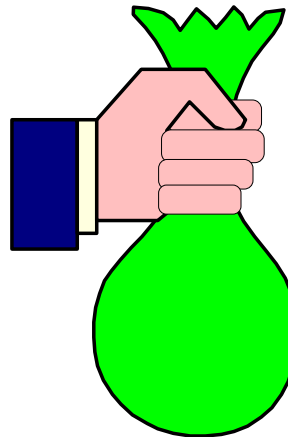
Parts Store

- Old
 - Items to be stocked
 - Stocking Levels
 - Restocking Intervals
- New
 - When the parts are required
 - High use - 30 minutes
 - Moderate use - 4 hours

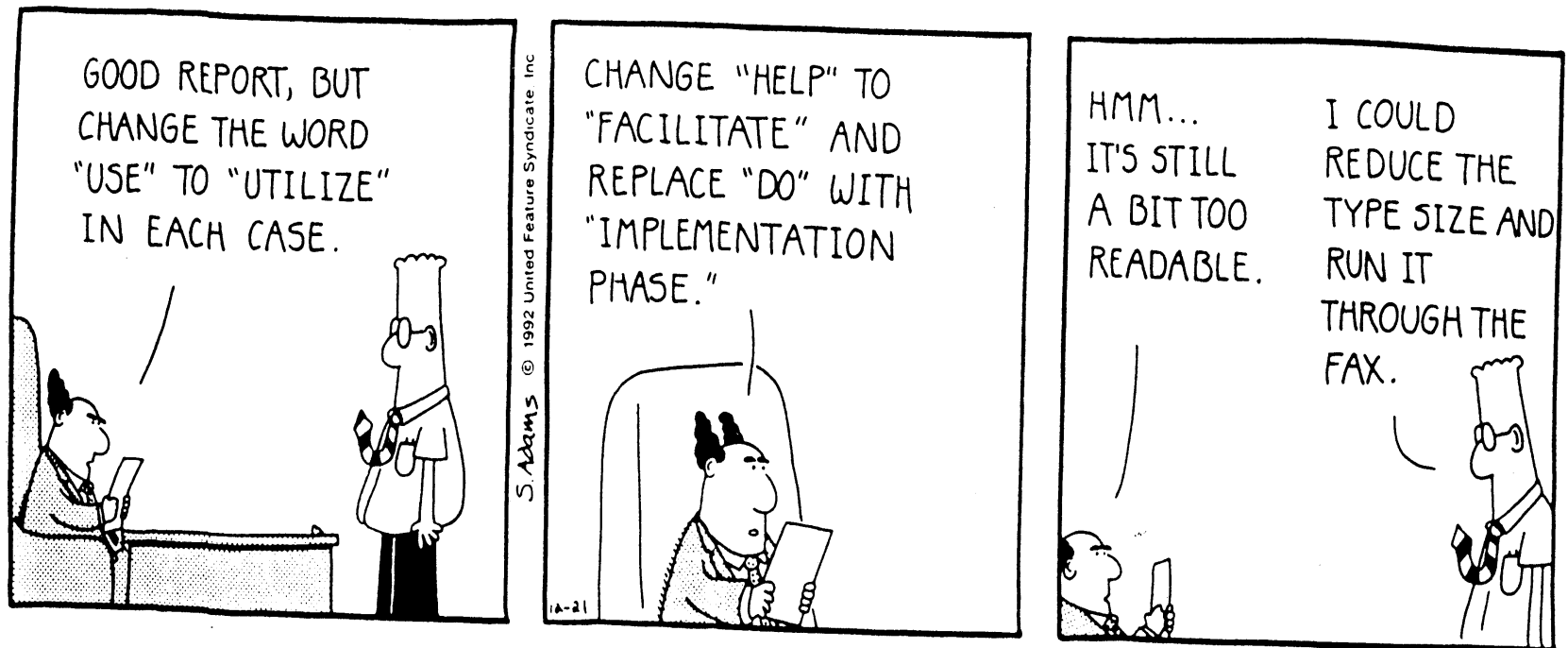


Benefits of PBSC

- Better prices and performance
- Clear and definitive performance requirements



Simplify Your Terms

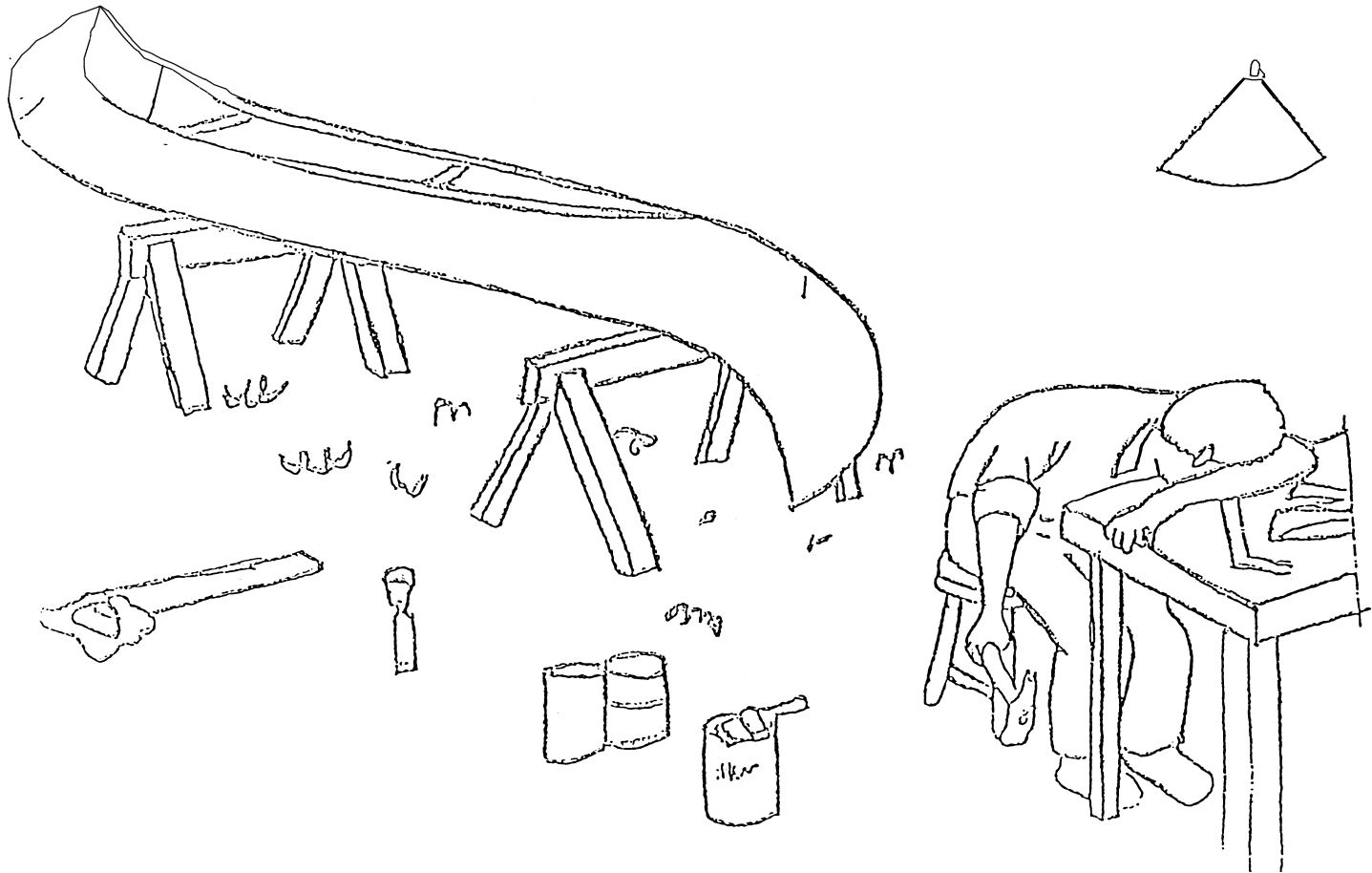


Benefits of PBSC (cont'd)

- Flexibility in how the contractor performs
 - Requires less modifications



Who's Going to Fix this Mess?



Benefits of PBSC (cont'd)

- Less surveillance required
 - Quality assurance focuses on outcomes, not processes
- Contractor motivated to use innovative approaches



Savings

Old

New

Savings

LO&SC (30 SW)

Annual Contract Costs	\$7.86M	\$6.5M	\$1.36M	(17%)
QAE Manning	25	14	11	(44%)

Eglin RATSCAT Contract

Contract Costs	\$46.2M	\$43.7M	\$2.5M	(5%)
QAE Manning	5	2	3	(60%)

Eglin Range O&M Contract

Annual Contract Costs	\$28.7M	\$25.8M	\$2.9M	(10%)
QAE Manning	16	6	10	(63%)

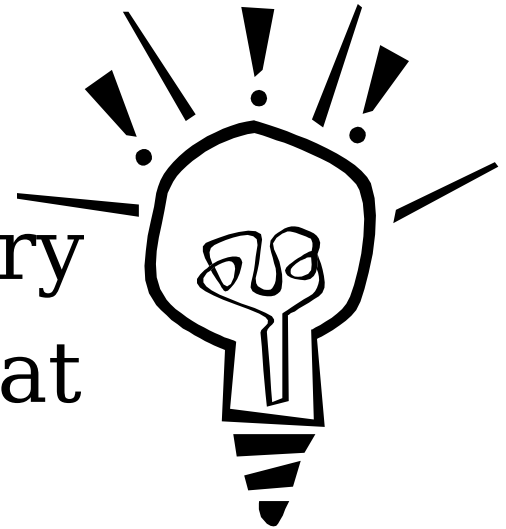
Elements of Performance Based Contracts



- Requirements documents - Outcome based
- Performance standards - Clear, consistent, unambiguous, & measurable
- Surveillance consistent with standards

Methodology

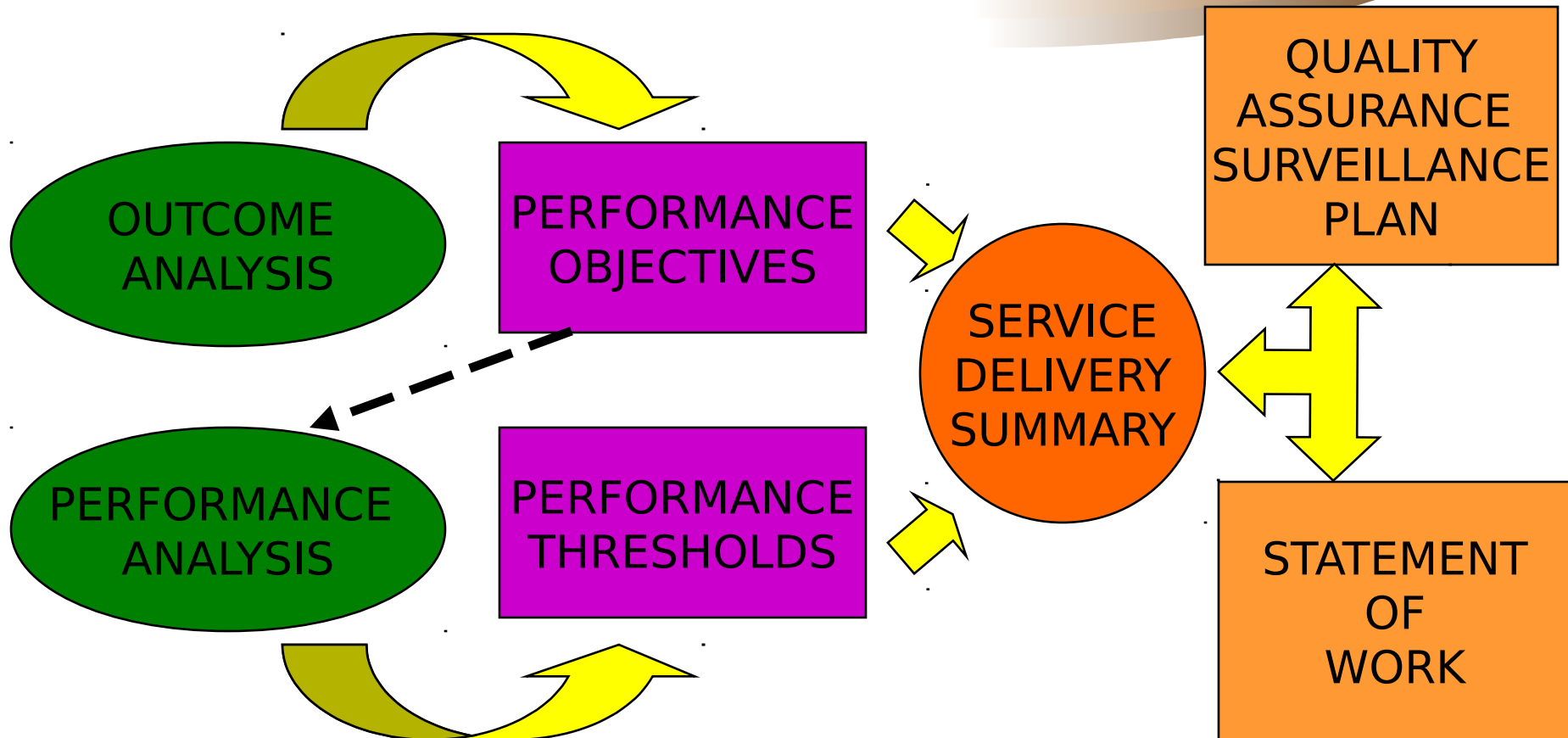
- Outcome analysis*
- Performance analysis *
- Service Delivery Summary
- Statement of Work Format



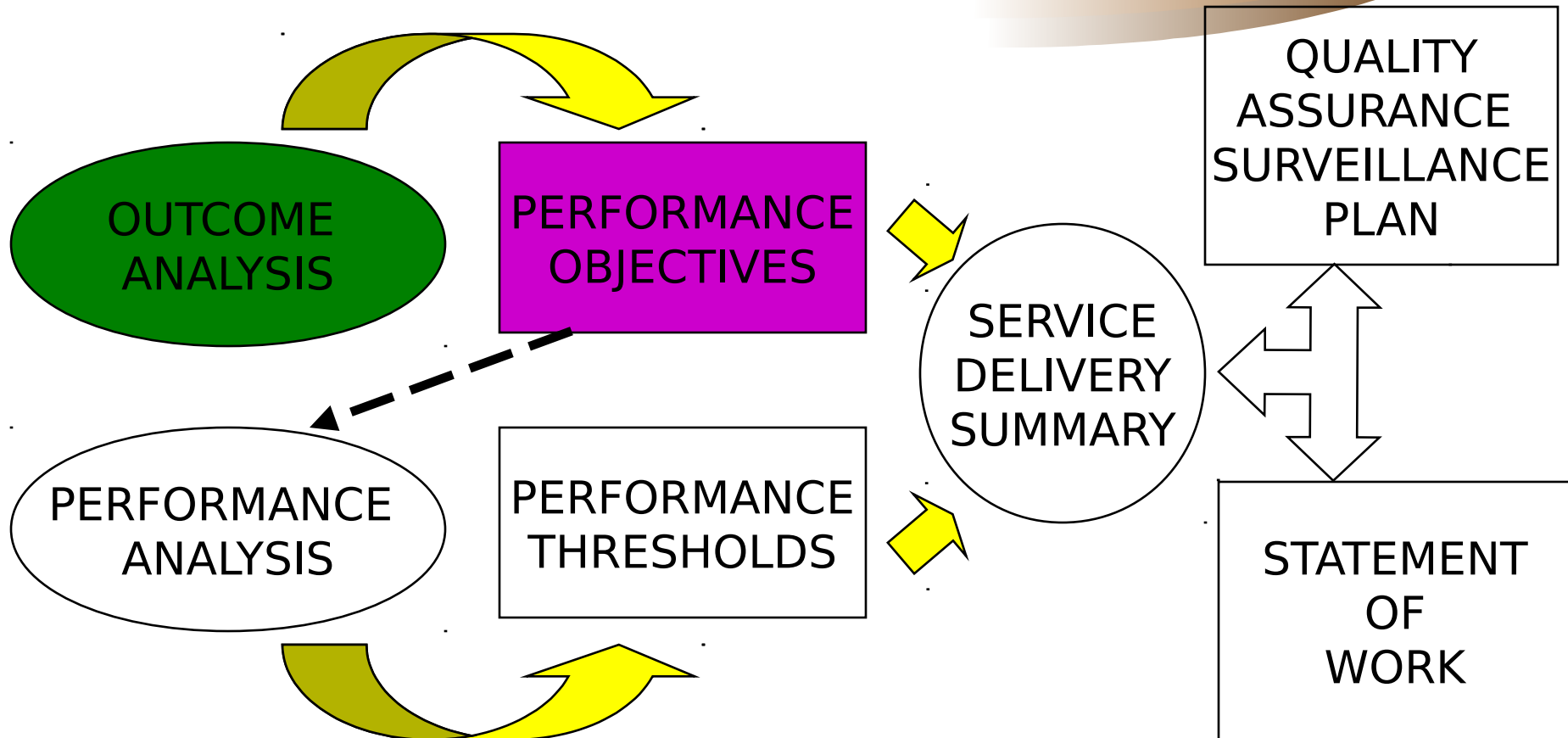
*OFPP Best Practices Guide to Performance Based Service Contracting

<http://www-far.npr.gov/BestP/BestP.html>

Process



Process



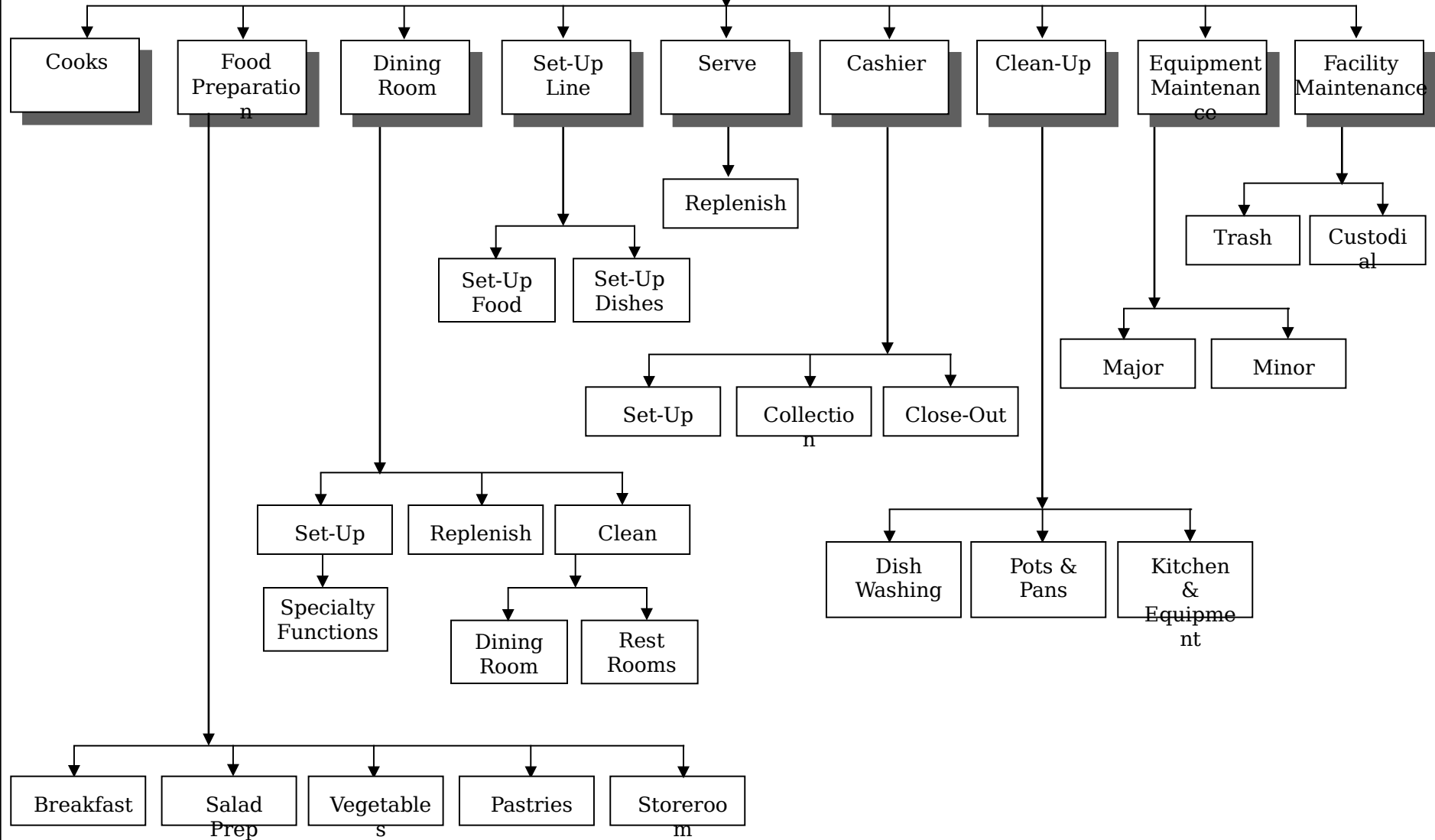
Outcome Analysis



- Identify Performance Objectives
 - Services and output required
 - “What” or end results
- Breakdown tasks into multiple levels
 - use tree diagram or other tool

MESS ATTENDENT

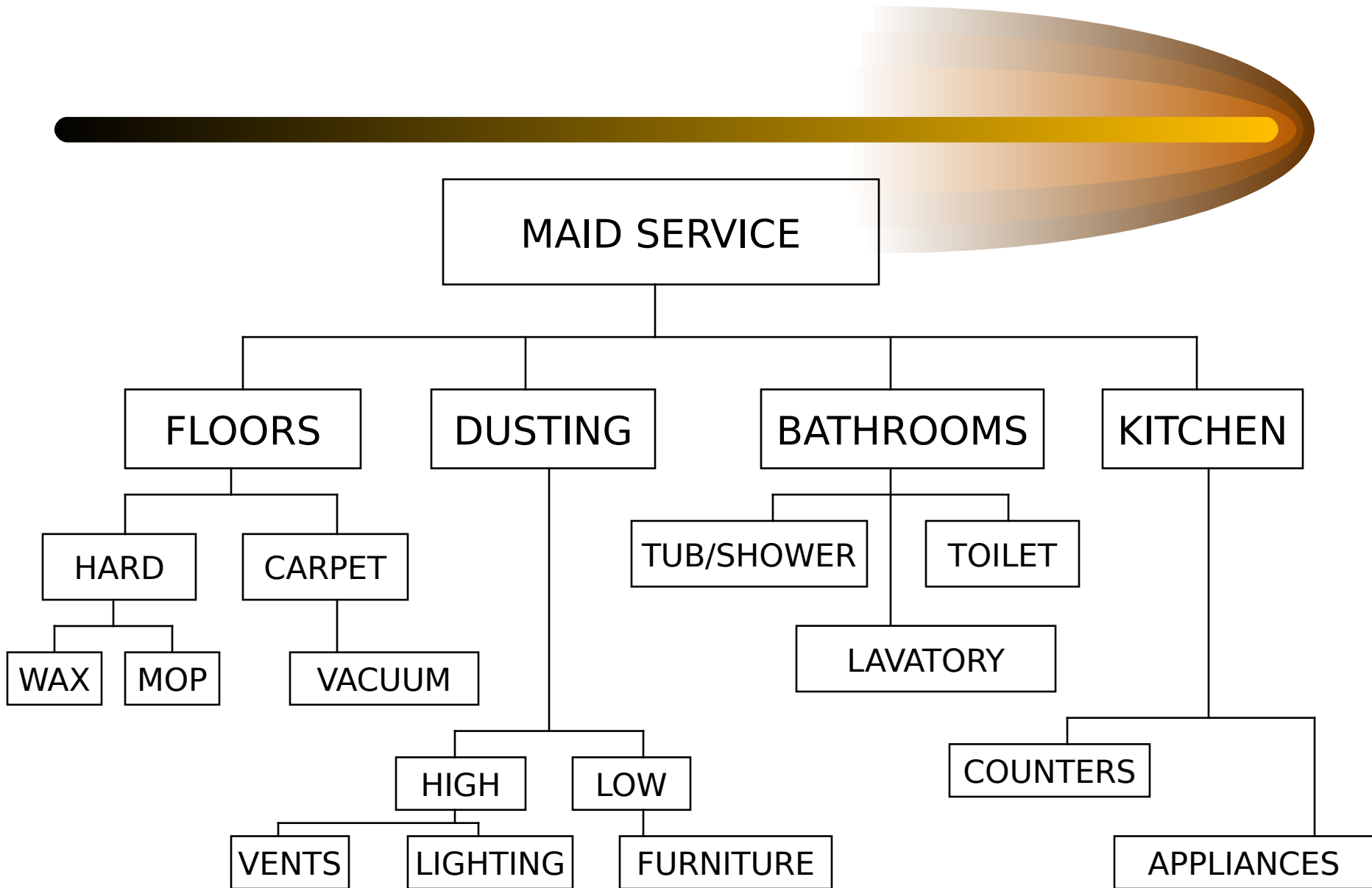
DINING HALL MAINTENANCE FOOD SERVICE





EXERCISE II

- Develop tree diagram for recurring household maid service (15 minutes)
- Identify outcomes (performance objectives) to be included in the requirement (15 minutes)



Outcomes



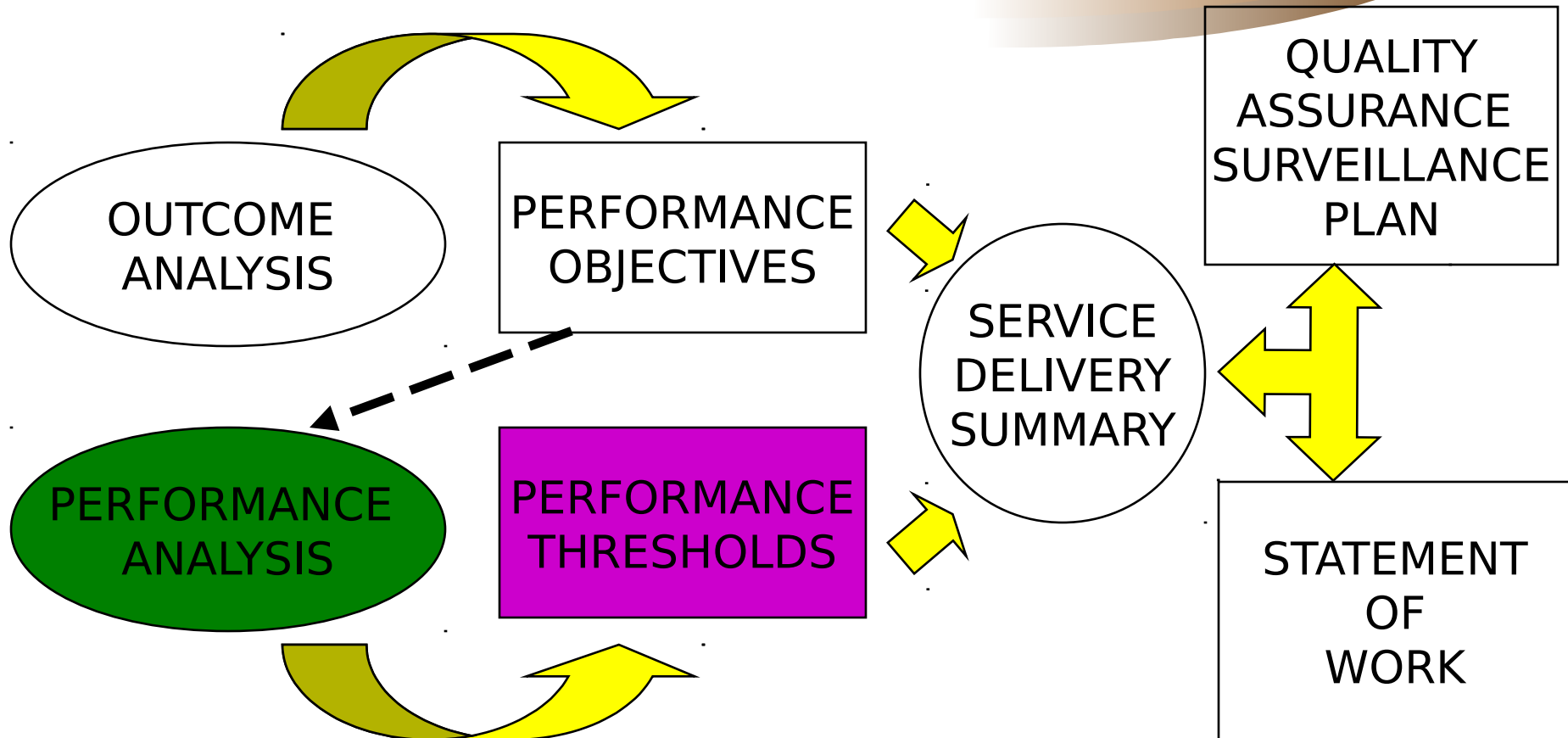
- Floors are free of any visible dirt
- Vents, lighting and furniture are free of dust
- All porcelain and countertops in bathroom are are clean and sanitized
- Kitchen counters are clean and sanitized
- Appliances are free of dirt and smudges

Exercise Summary



- Tree diagram allows you to visualize your requirements
- Provides framework to capture and document outcomes
- Drives you to market research to find out how industry defines requirements
 - May not always be performance based

Process

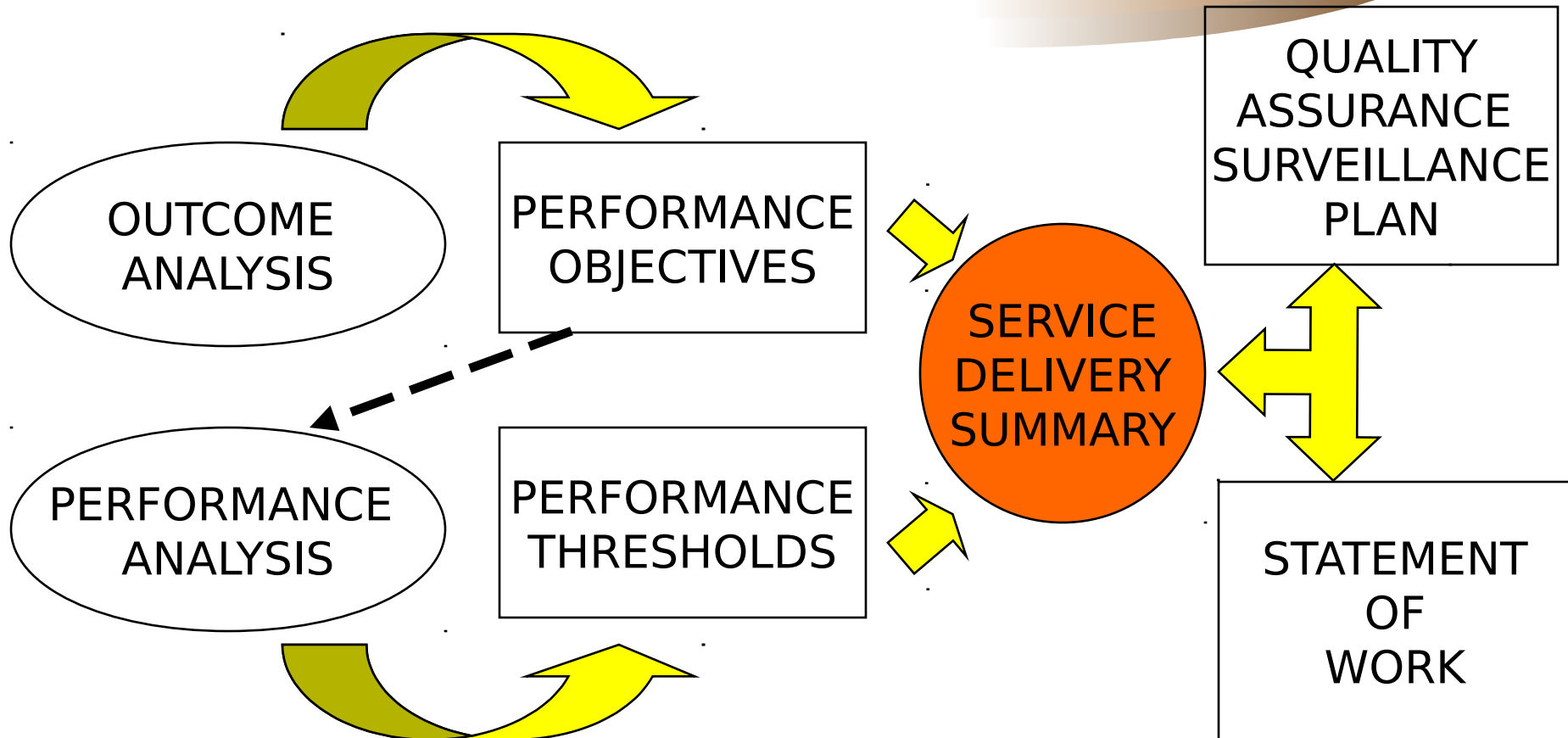


Performance Analysis



- Use performance objectives from your outcome analysis
- Establish Performance Thresholds (Specific Standard)
 - Rarely 100%
 - May be desirable, but not achievable
 - Determine acceptable deviation
- Use commercial standards when available as determined through market research

Process



Service Delivery Summary (SDS)

A decorative graphic consisting of a thick horizontal bar with a gradient from dark brown to gold, and a large, light brown swoosh shape that curves around the right side of the bar and the title.

- Includes Performance Objectives and Performance Thresholds
- Captures the overall requirement at the outcome level
- Not to be Confused with Performance Requirements Summary (PRS)
 - Objectives are based on outcomes, not tasks
 - No percentages, No deducts
 - Surveillance method not included

Service Delivery Summary

Performance Objective	SOW para.	Performance Threshold
Prepare food IAW recipe cards	13.c.	95% of menu items/meal period
Comply with sanitation requirements of the food code and state and local laws/regulations, which results in a satisfactory or better rating in Health Inspections..	9.d.(3), 13.b., 15, & 16.a.(4)	100% of the time
Satisfy facility manager and guests in reference to timeliness of service and courteousness of employees	13.f.	90% of monthly meal periods
Make available supplies and materials necessary to serve the guests	1, 12.c., 12.d., and 16.a.3	95% of monthly meal periods
Reconcile cashdrawer with POS reports and ensure cash is turned in on-time (add to cashier services)	7.c , 14	95% of deposits per month
Maintain the interior and exterior of the dining facility in a clean and sanitary condition	16.	85% of the days in the month
Provide cooks/food servers to ensure there is no impact on food service operations during contingency operations	9.e.	100% of the time.
Repairs will be initiated/completed within the following time frames: Routine: 24 hours/96 hours Urgent: 12 hours/48 hours Emergency: 1 hour/24 hours	19.f.	95% of the time

Example

Performance Objective	SOW para.	Performance Threshold
Comply with sanitation requirements of the food code and state and local laws/regulations, which results in a satisfactory or better rating in Health Inspections..	9.d.(3), 13.b., 15, & 16.a.(4)	100% of the time
The contractor shall accomplish the food preparation tasks in accordance with recipe cards and serve in standard portions.	I.3.c.	95% of menu items per meal period.

Incorporation of Market Research



- Where possible outcomes should be consistent with commercial outcomes as identified through market research
- If the outcome identified is not consistent with commercial outcomes--consider modifying if possible



SDS

MAID SERVICE

Performance Objective	SOW para.	Performance Threshold
Floors are free of any evidence of dirt.	I. x.f.	(Customer satisfaction) Less than X validated customer complaints per month.

PARTS STORE

Performance Objective	SOW para.	Performance Threshold
Parts in the following classifications will be provided within the following times after request: High use - 30 minutes Moderate use - 4 hours Low use - 72 hours	I.x.c.	95% of requests per month

More examples



- Task - Safety program (subtasks: establish, implement and maintain)
- Objective - Establish, implement, and maintain a comprehensive safety, program that meets the current requirements of federal law
- Threshold - No OSHA reportable violations resulting from contractor action or inaction
 - Threshold - Mishap frequency and severity rate shall not exceed the base three year average

More examples



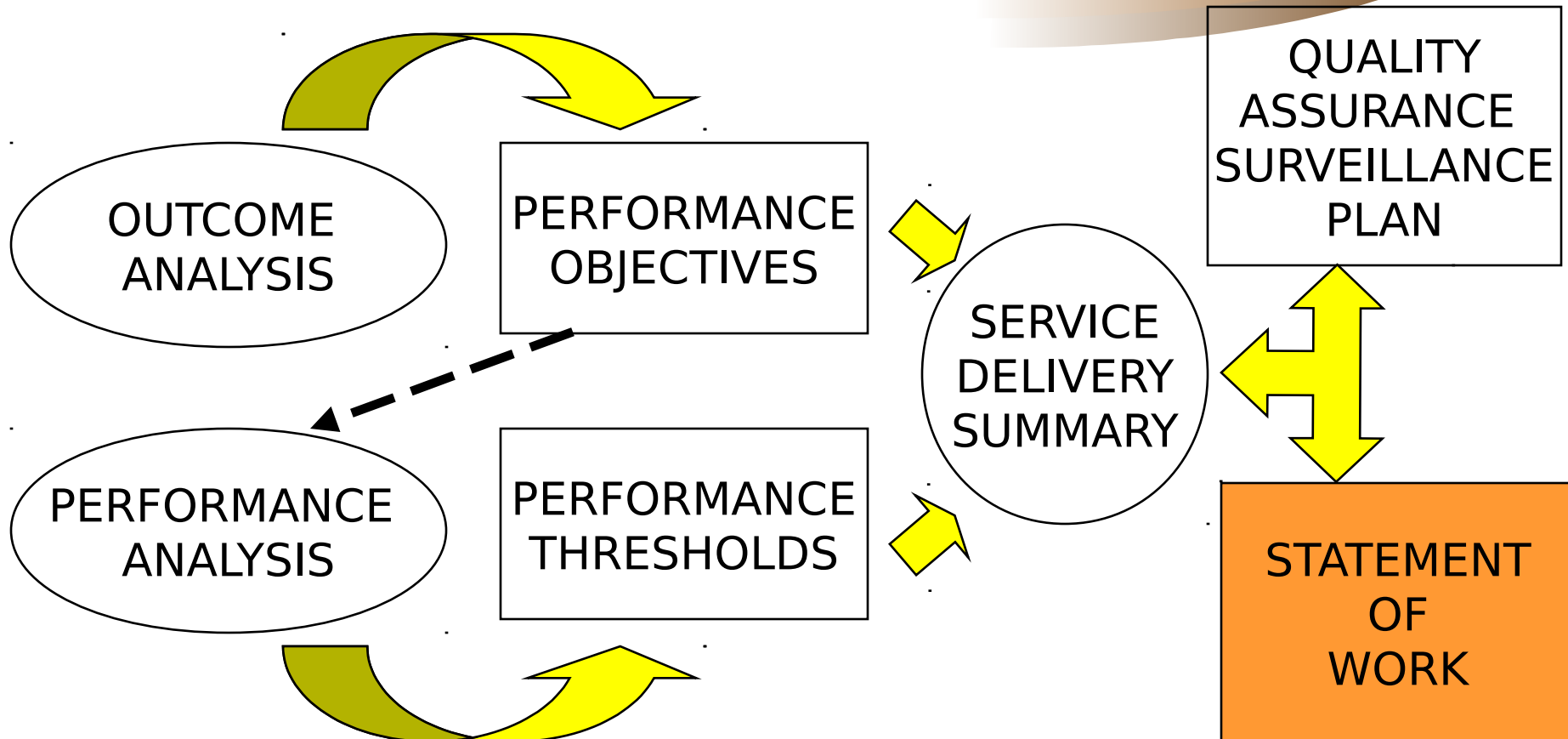
- Task - Provide network help desk
- Objective - Timely and efficient service
- Threshold - 75% of technical support questions resolved within eight working hours, the remaining 25% of technical support calls resolved within 24 working hours.

More examples



- Task - Family housing maintenance
- Objective - Provide maintenance and repair services to family housing at XYZ AFB
- Threshold - Valid customer complaints regarding responding to and accomplishment of planned and non-planned work orders shall not exceed 5% of total customer complaints

Process



Statement of Work Format

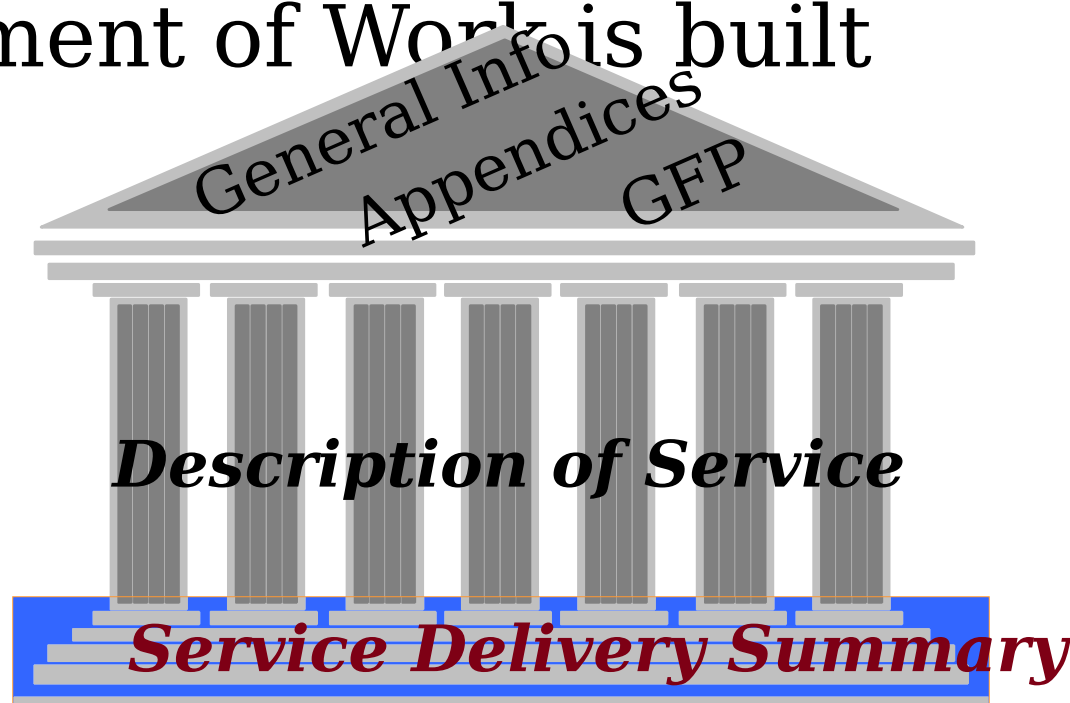


- I. Description of Services
- II. Service Delivery Summary (SDS)
- III. Government Furnished Property and Services
- IV. General Information
- V. Appendix(s)

SDS is the foundations of the requirement, the other sections just supplement this

Service Delivery Summary

- Service Delivery Summary is the base upon which the rest of the Statement of Work is built



***Without a Solid
Foundation,
You end up with
problems***



Reference to AFIs & Publications



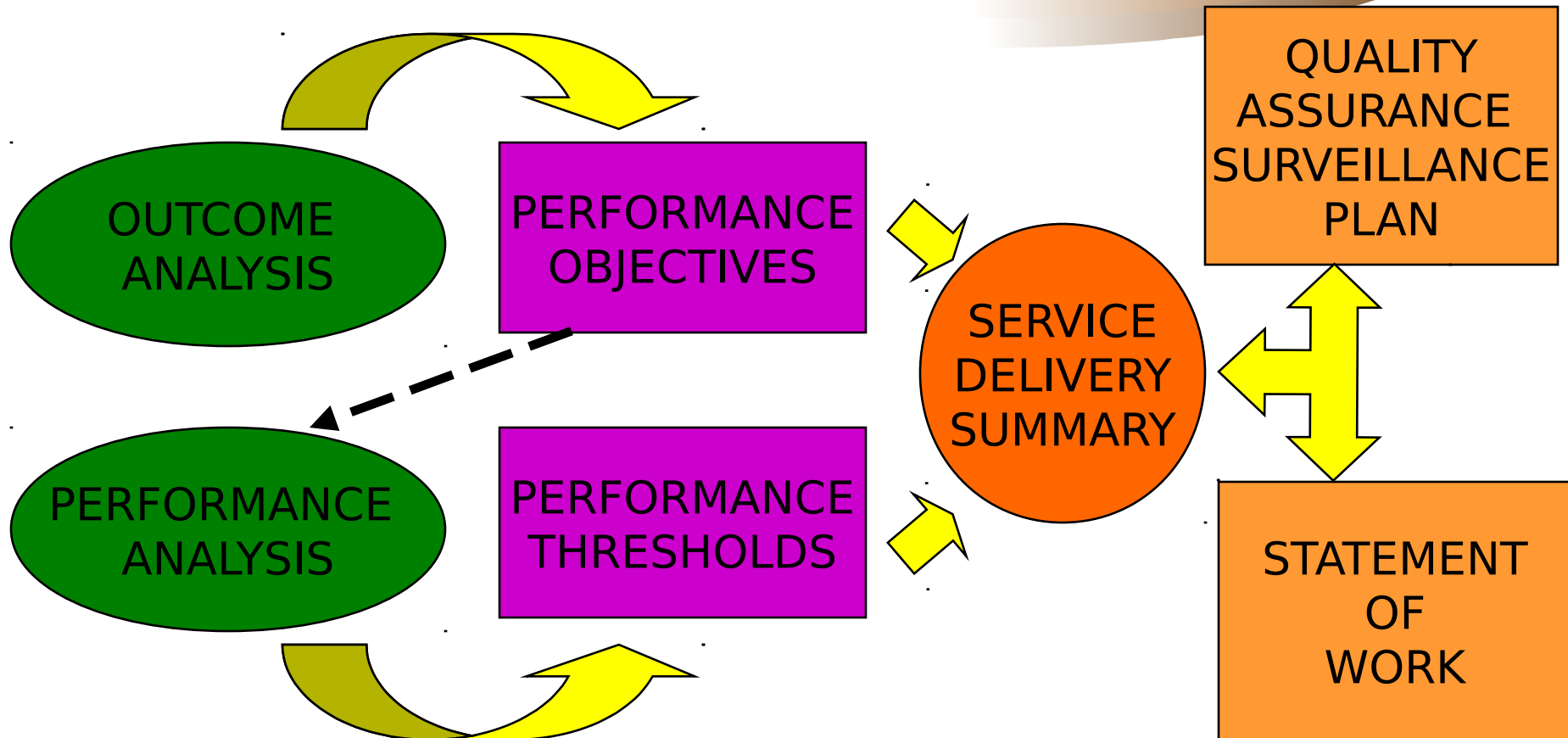
- Question necessity for references
- If necessary, only cite specific chapter or paragraph - not entire AFI (AFI 63-124, para. 1.3.a.5.)
- References should be included in the text for Description of Services along with the applicable requirement
 - i.e. The food service contractor shall ensure only authorized individuals are served, IAW AFI 34-241, para. 1.1.



EXERCISE III

- Write a performance based requirement for your Lego house

Process



Summary



- Performance Based Contracting is the way of the future
- Leads to better service
- Reduced administration and surveillance